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Speaking Notes for San Antonio Speech
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Introduction

- Glad to see this day
- Challenges, yes, but believe today marks turning point
- Begin talk anew about opportunities/promise of NAFTA
- Canada-US world's largest bilateral trading relationship
- Trade has doubled in last 10 years
- Today \$1 billion per day crosses Canada-US border

Canada-US Trade

- Not all one way
- Annual US transactions with Canada 50% more than with Japan, 75% more than UK
- US sells 3 times as much to Canada as it does Japan
- Canada buys more US goods than all of 15 EU countries, and all Latin America
- More than ½ of all US automotive exports to Canada
- Canada supplies \$20 billion energy per year

Role of Trucking

- Trucks haul 65% - 75% of that trade
- 13 million truck trips across border every year
- One every 2 ½ seconds
- Trade with Mexico smaller base, but significant growth

NAFTA Transportation Provisions

- Recent years, CTA has, out of frustration argued NAFTA

- At least as applies to truck transportation has not existed
- Growth in trade that NAFTA countries have enjoyed, taken place in spite of fact most NAFTA land transportation liberalization provisions have not been implemented
- And, some key areas of LTSS work program not completed upon schedule
- Reflection in large part, to fact Southern border remained closed

Legitimate Domestic Concerns

- At same time, recognize legitimate domestic policy concerns need to be and will be addressed within the NAFTA context, or even in spite of it
- Coming from small country where historic concerns over political, cultural and economic sovereignty a major pre-occupation, this is understandable

Safety

- Each of NAFTA partners has right to ensure safety on their roads
- Have dealt with through reciprocal agreements (CDL, facility audits, driver medical standards).
- Canada-US have history spanning four decades of co-operation, collaboration on truck safety standards
- Collaborative research – driver fatigue
- Result: closely harmonized regulations and standards
- Indeed, Canada's long-standing approach – harmonize with US first, unless demonstrated benefit to Canadians
- Other times have dealt with simply by adhering to US rules when operating in US. (hours of service)
- Drug testing – industry went alone
- Adhering to international agreements (CVSA, same enforcement levels, inspection standards)
- Canadian trucks in US have enviable safety record
- March 2000 Volpe Centre Study for FMCSA found 8.6% of Canadian new entrants to US, and 8% of experienced Canadian carriers had deficient vehicle inspection indicators
- US carrier deficiency rates were 34%, 27%, respectively

- US office of inspector general found out of service rate for Canadian trucks operating in US was 17%, 25% for US trucks
- Collision stats also indicate Canadian trucks operating in US have lower rate of fatal collisions than US trucks.
- Still, at times we see rules proposed that seem to ignore this – current NHTSA and FMCSA proposals on vehicle manufacturing safety certification stickers

Environment

- Canada has harmonized its engine and fuel emissions standards with those of the USEPA.

Security

- Tragic events visited upon people of the United States on September 11th have been felt by the people of Canada and those around the globe that value freedom
- Renewed focus on security at the North American perimeter and our land borders is a new reality
- We believe that the events of September 11 will accelerate process of North American integration as governments seek ways to improve collective security.
- Government resources focused on intelligence gathering, risk assessment and targeted enforcement.
- If correct, places even more onus on the framers and custodians of NAFTA, LTSS to address matters that impede flow of truck traffic across and within our borders
- Context in which industry and government conducts its business has changed fundamentally
- Our mutual work on realizing the promise of NAFTA is now more important than ever.

NAFTA: A Work in Progress

- Those that believe in NAFTA/free trade, will also surely agree we have a long way to go in maximizing the benefits, the productivity, efficiency of our shared continental market
- How can we talk of free trade and maximizing efficiency and productivity when our cabotage laws continue to preclude truck drivers from making even the simplest repositioning moves in the other country?
- Other industrial sectors, professionals for example, seem to have been able to overcome
- How talk of free trade when states/provinces have carte blanche taxes, subsidies other measures which if not technically illegal, at least in conflict with spirit of NAFTA, treaties agreed to by federal governments
- NAFTA will be a work in progress

Conclusion

- In terrorists' minds, tragic events of September 11 planned to destabilize very core of American and other democracies
- Have had opposite effect
- Out of rubble of World Trade Centre a rising sense of solidarity and commonness of purpose
- Together we can build on that a secure, safe, efficient and productive North American freight transportation system that will stand as witness to the unique relationship that exists between our countries

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